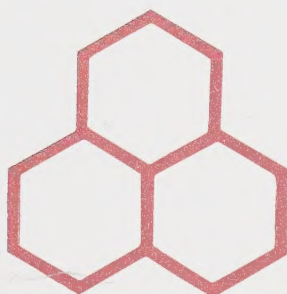


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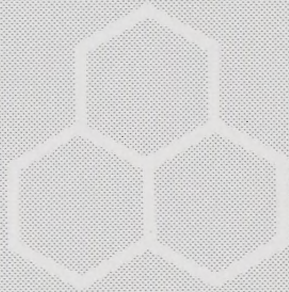


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HAMILTON TRUST AND SAVINGS CORPORATION

ANNUAL REPORT - 1967



“ . . . it should be remembered that competition is an uneasy state and that, however much they may thrive under it, businessmen have an inclination to protect themselves against it. We must therefore be alert to developments which would lessen competition or threaten its vigour.”

Report of the Royal Commission
on Banking and Finance, Page 369

REPORT TO THE SHAREHOLDERS



On behalf of the Board of Directors, it is my pleasure to submit the Annual Report of the Corporation for the year ended 31 October, 1967.

The past year saw a continuation of the steady progress that has characterized the development of Hamilton Trust. This progress may best be measured by careful consideration of the following highlights.

1967	1966	1965	1964
Net Profit (Loss) Before Depreciation			
\$ 101,574	49,283	(59,526)	(115,860)
Net Profit (Loss) After Depreciation			
\$ 50,127	(20,610)	(134,555)	(124,516)
Trust Funds on Deposit			
\$ 9,222,413	7,665,980	6,051,324	2,821,546
Guaranteed Investment Certificates			
\$ 9,582,951	7,135,935	4,720,088	2,048,530
Account Holders—over			
20,000	17,000	14,000	8,000
Estates, Trusts and Agencies			
\$ 4,510,876	4,060,700	3,366,990	1,575,679
Assets under Administration			
\$25,247,186	20,739,685	16,080,707	8,532,841

The current encouraging picture should be considered in light of events of the past year: particularly the effect of deposit insurance legislation and the enactment of the revisions to the Bank Act.

As the year opened, the public was in a disenchanted mood with its financial institutions as a result of the Atlantic Acceptance debacle some sixteen months earlier. This disenchantment reached a climax with the failure of Prudential Finance in November, 1966. Against this background, the Ontario and Canadian governments took giant strides by the enactment of deposit insurance legislation. Under this legislation, the Canada Deposit Insurance Corporation, an agency of the Federal Government, now insures each deposit of a member bank, loan and trust company up to \$20,000 per deposit.

Unquestionably this legislation has done much to restore the confidence of the public in insured financial institutions.



In May, 1967, the chartered banks increased the rates of interest payable to their savings account customers. To meet this competition, it was necessary that we increase the rates paid on our savings and chequing accounts by $\frac{1}{2}$ of 1%. Despite these added interest costs we were able to make substantial improvement in our profit picture.

It has now been over seven months since the amendments to the Bank Act became law. The sharp rise in interest charges to borrowers in this period would make it appear that Parliament may have gone further than it intended by extending the powers of the banks without providing the necessary rein through the granting of offsetting powers to other financial institutions, thereby encouraging the competition recommended by the Porter Commission Report on Banking and Finance. Instead of further developing a freely competitive system, the results to date of the Bank Act amendments indicate the extension of a monopolistic position.

One of the key suggestions of the Porter Commission was:

"Our recommendations would permit the savings banks and the trust, loan and other companies coming under the banking legislation to compete for commercial and personal lending business."

As a step toward providing the recommended competition, it is most desirable that legislation be enacted permitting the trust and loan corporations to enter the consumer loan field.

I would be remiss if I did not thank our staff, our Tillsonburg Advisory Board and our Directors for their efforts on behalf of Hamilton Trust and its shareholders.

We are about to enter the year 1968. While there may be some uncertainty as to the immediate prospects for the country generally, we expect to make continued steady progress throughout the year. Unquestionably the long term prospects for Canada and its citizens remain bright.

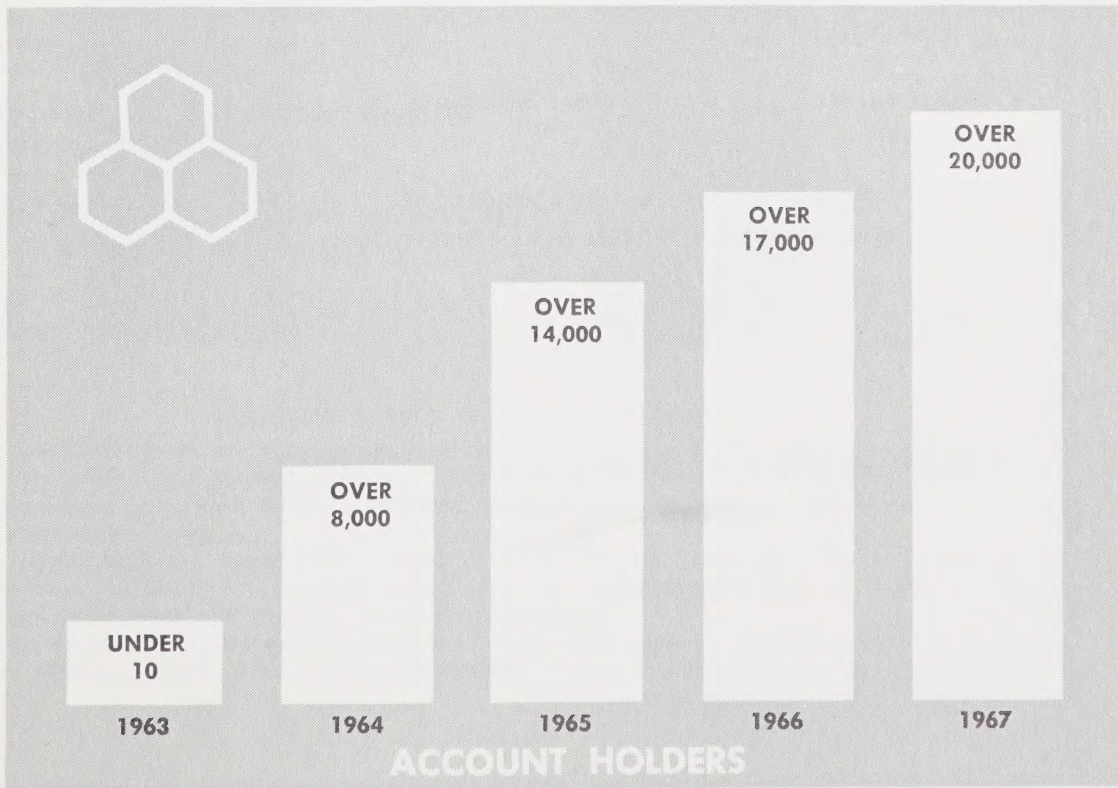
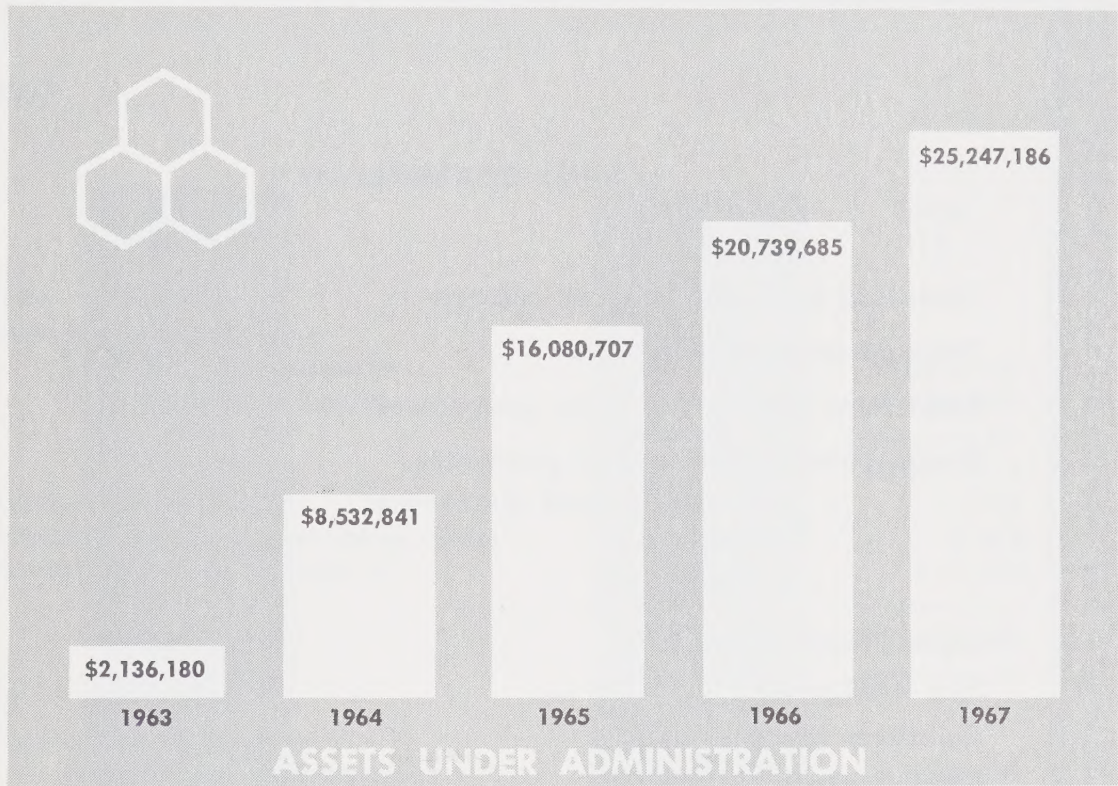
May I express my personal thanks for the business that you have placed with us and for recommending the company to others wherever and whenever possible.

Respectfully submitted,

President.

Hamilton, Ontario
15 December, 1967

OUR GROWTH AT A GLANCE





HAMILTON TRUST AND SAVINGS CORPORATION

(Incorporated under The Loan and Trust Corporations Act of Ontario)

	BALANCE SHEET	
	As at October 31, 1967	
ASSETS	1967 \$	1966 \$
Cash and bank term deposit receipts	1,122,558	1,909,659
Demand loans fully secured	251,985	50,181
Short term notes provincially guaranteed	200,000	—
Bonds (Note 1) Federal and guarantees	1,585,040	925,325
Provincial and guarantees	1,281,835	745,265
Municipal	167,754	167,568
Corporate	675,976	679,910
Stocks (Note 1) at cost	6,270	6,270
First mortgages	14,501,969	11,259,095
Collateral loans	248,900	233,973
Other assets	22,611	14,337
Fixed assets at cost less accumulated depreciation	671,412	695,872
Total capital and guaranteed account assets	20,736,310	16,687,455
ESTATES, TRUSTS AND AGENCIES		
Cash, securities, mortgages and other assets	4,510,876	4,060,700
	25,247,186	20,748,155

SIGNED ON BEHALF OF THE DIRECTORS

HALLIWELL SOULE, Q.C.
Director.

J. ROSS FISCHER
Director.

CE SHEET
ber 31, 1967

LIABILITIES AND CAPITAL

	1967 \$	1966 \$
Liabilities		
Guaranteed account—		
Trust funds on deposit	9,222,413	7,665,980
Investment certificates	9,582,951	7,135,935
	<hr/>	<hr/>
	18,805,364	14,801,915
Accounts payable	4,322	1,256
Deposits on mortgage realty taxes	25,319	8,470
Mortgage payable (Note 2)	305,845	315,481
	<hr/>	<hr/>
	19,140,850	15,127,122
	<hr/>	<hr/>
Capital		
Capital stock issued—		
166,960 shares fully paid	1,669,600	1,669,600
49,000 shares partially paid	49,000	49,000
Deficit	(123,140)	(158,267)
	<hr/>	<hr/>
	1,595,460	1,560,333
	<hr/>	<hr/>
Total capital and guaranteed account liabilities	20,736,310	16,687,455
	<hr/>	<hr/>
ESTATES, TRUSTS AND AGENCIES		
Assets under administration	4,510,876	4,060,700
	<hr/>	<hr/>
	25,247,186	20,748,155
	<hr/>	<hr/>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Hamilton Trust and Savings Corporation as at October 31, 1967. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The assets held for Guaranteed Account and for Estates, Trusts and Agencies are kept separate from the corporation's own assets and are so earmarked on the books of the corporation as to show the accounts to which they belong.

In our opinion, the accompanying balance sheet, when read in conjunction with the notes appended thereto, presents fairly the financial position of the corporation as at October 31, 1967.

McDONALD, CURRIE & CO.

Chartered Accountants.



Notes to Financial Statements

1. BONDS AND STOCKS

Bonds are carried at amortized cost and total \$3,710,605. The market value at October 31, 1967, was \$3,460,543. Stocks consist of two hundred (200) shares of The Steel Company of Canada and the market value at October 31, 1967, was \$4,000.

2. MORTGAGE PAYABLE

The security for the mortgage payable constitutes a first charge on the corporation's property at 75 James Street South, Hamilton, Ontario. Monthly payments of \$2,466, including principal and interest at the rate of 6½ per cent, are required and the balance is due on July 1, 1984.

3. OPTIONS TO PURCHASE SHARE CAPITAL

Certain directors, employees and members of the Tillsonburg Advisory Board have been granted options to purchase twenty-nine thousand (29,000) shares of the capital stock of the corporation at a price of either \$11.00 or \$12.00 per share under individual agreements that expire on various dates, none of which is later than December 31, 1976. No options have been exercised.

4. ESTATES, TRUSTS AND AGENCIES

Pursuant to Section 77(h) of The Loan and Trust Corporations Act of Ontario, the corporation has guaranteed two hundred and eighty-three (283) mortgages which it administers on an agency basis. This guarantee applies to both principal and interest, and the balance of the mortgages and accrued interest as at October 31, 1967, amounts to \$2,621,074. No losses have occurred since the inception of these agencies.

5. INCOME TAXES

There are no Income Taxes payable for the current year through the application of losses brought forward from prior years. At October 31, 1967, after deductions allowed for investment reserves, there remained approximately \$89,400 available for application against profits earned in future years. At October 31, 1967, depreciation recorded in the financial statements exceeded the amount claimed for tax purposes by \$205,400.

STATEMENT OF EARNINGS AND DEFICIT

For the year ended October 31, 1967

	1967	1966
	\$	\$
Net Revenue	516,675	426,440
Operating expenses	415,101	377,157
	<hr/>	<hr/>
Net earnings before provision for depreciation	101,574	49,283
Provision for depreciation	51,447	69,893
	<hr/>	<hr/>
Net profit (loss) for the year	50,127	(20,610)
Transfer to investment reserve	15,000	35,000
Deficit—Beginning of year	158,267	102,657
	<hr/>	<hr/>
Deficit—End of year	123,140	158,267

SERVICES OFFERED



Estate Planning

Estate and Trust Administration

Executor of Wills

4% on Chequing Accounts

4 $\frac{3}{4}$ % on Savings Accounts

6 $\frac{3}{4}$ % on Guaranteed Investment
Certificates

Deposit-by-Mail

Safety Deposit Boxes

Registered Retirement Savings Plans

Stock Transfer Agent and Registrar

Investment Management

Pension Fund Trustee

First Mortgage Loans

Registered Real Estate Broker



EXECUTIVE OFFICERS AND MANAGERS



THE HON. ELLEN L. FAIRCLOUGH,
P.C., F.C.A.
Secretary

Mrs. Fairclough is well known as a former Cabinet Minister in the Federal Government and is a lifetime member of the Privy Council. She is a Chartered Accountant by profession and in 1965 was honoured by election as a Fellow of The Institute of Chartered Accountants. In addition to her duties as Secretary of the Company, Mrs. Fairclough is responsible for the administration of the stock transfer and guaranteed investment certificate department. Her experience and background have been invaluable in the development of Hamilton Trust.



PETER F. MASKELL
Trust Officer

ARTHUR R. SHAVE
Real Estate Manager

DENTON J. BUTLER
Manager, Mountain Plaza Office, Hamilton

J. KENNETH CRUNDEN
Manager, 8 Oxford Street, Tillsonburg

REGINALD L. FISHER
Manager, Main Office, Hamilton

ALEX O. MIDDLETON
Manager, Westdale Office, Hamilton

LLOYD T. SPALDING
Supervisor of Branches, Manager, Ottawa Street Office, Hamilton

BOARD OF DIRECTORS

WILLIAM EWEN BRUNNING <i>President, Executive Life and Disability Company of Canada</i>	TORONTO
MURRAY G. BULGER <i>President, Murray G. Bulger & Associates Ltd.</i>	TORONTO
THE HON. ELLEN L. FAIRCLOUGH, P.C., F.C.A. <i>Secretary, Hamilton Trust and Savings Corporation</i>	HAMILTON
JOSEPH ROSS FISCHER <i>President, J. Ross Fischer Hotels Limited</i>	HAMILTON
ROBERT GLENN GROOM, Q.C. <i>Barrister & Solicitor</i>	TILLSONBURG
FRANK P. GOLDBLATT <i>President, International Iron & Metal Company Limited</i>	HAMILTON
NORMAN GRAHAM JAMES <i>President, Income Life Insurance Company of Canada</i>	BURLINGTON
GEORGE C. KNOWLES <i>Financial Consultant</i>	TORONTO
GEORGE A. MILLER <i>Vice-President, Brennan Paving Company Limited</i>	BURLINGTON
CHARLES A. READ, C.A. <i>Chartered Accountant</i>	WINNIPEG
PHILIP ROSENBLATT <i>President, Norton Motor Lines Limited</i>	HAMILTON
DONALD G. ROSS <i>Vice-Chairman of Board, Pitfield, MacKay, Ross & Company, Limited</i>	TORONTO
WILLIAM CHARLES SCHWENGER <i>President, Schwenger Construction Limited</i>	BURLINGTON
HALLIWELL SOULE, Q.C. <i>President, Hamilton Trust and Savings Corporation</i>	BURLINGTON
WALTER PETER THOMSON <i>President, C. E. Thomson & Company Limited</i>	HAMILTON

TILLSONBURG ADVISORY BOARD

MAX A. COYLE <i>Secretary-Treasurer, Coyle Motors Limited</i>	DELHI
CYRIL J. DeMEYERE <i>President, C. DeMeyere & Sons Limited</i>	TILLSONBURG
ROBERT GLENN GROOM, Q.C. <i>Barrister & Solicitor</i>	TILLSONBURG
JOHN GYULVEZI <i>President, Gilvesy Construction Limited</i>	TILLSONBURG
EDWARD S. VANCE <i>President, Denton-Vance Insurance Limited</i>	TILLSONBURG



HAMILTON

Mountain Plaza—Upper James and Fennell
Westdale —1053 King Street West at Newton
Downtown —75 James Street South
East —335 Ottawa Street North at Barton

TILLSONBURG

8 Oxford Street